

## News Release

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### DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

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### **CSD Interim Director Wagner, Senator Liu Highlight Earned Income Tax Credit Services at Foothill Unity Center, Inc. on National EITC Awareness Day**

Department of Community Services and Development (CSD) Interim Director John A. Wagner today joined California Senator Carol Liu (D-La Cañada-Flintridge), California State Board of Equalization Chairman Jerome E. Horton, and other officials at the Foothill Unity Center, Inc. in Monrovia, CA to highlight free tax services that are available to working Californians on [National Earned Income Tax Credit \(EITC\) Awareness Day](#).

“The EITC program is one of the largest and most successful antipoverty programs in the nation, but not all eligible Californians take advantage of this opportunity to put money back in their pockets,” said CSD Interim Director Wagner. “Today we are urging all eligible Californians to file a tax return and claim the tax benefits already earned through EITC. When federal refunds are claimed, low-income, working families win, California businesses win and the local economy wins.”

CSD is working with state and local partners to increase EITC awareness and help working Californians take advantage of the EITC. This includes partnering with the Office of Senator Carol Liu (D-La Cañada-Flintridge) on a targeted campaign to increase the number of Californians who file their federal income tax returns and claim the EITC.

“At a time when families are struggling, the EITC can help them make ends meet,” said Senator Liu. “Too often families don’t know about the program and miss out on the benefits. We can prevent this by making sure eligible families and individuals are aware that they qualify for the EITC and where they can find income tax preparation assistance to claim it.”

More than 30 CSD partnering community based organizations are offering tax and EITC services during the 2012 tax season. Many of these organizations work to fill in service gaps in areas throughout the state and partner with other local agencies to offer these services, including Foothill Unity Center, Inc. in Los Angeles County.

“For a very low income family, receiving an Earned Income Tax Credit of \$2,000 or more can be a life-changing event – one that helps them move back to self-sufficiency,” said Foothill Unity Center, Inc. Executive Director Joan Whitenack. “Because those dollars will be spent in the community, they also help the local economy, meaning more people keep their jobs.”

In 2010, 40,000 low-income Californians participated in tax preparation programs offered by more than 45 community based organizations that partner with CSD. In aggregate, these participants claimed over \$46 million in any type of federal or state tax credit.

“Earned Income Tax Credit National Awareness Day kicks off the national effort to provide Voluntary Income Tax Assistance to every eligible resident in the United States,” said Chairman Jerome E. Horton. “The Board of Equalization is committed to doing our part in California and in particular the Greater Los Angeles area to lift families and individuals across our state out of poverty while simultaneously stimulating our local economy.”

Additionally, CSD administered a targeted program to increase the use of EITC among low-income California households under the Community Services Block Grant (CSBG) American Reinvestment and Recovery Act (ARRA). CSD received federal approval to award one percent of the state’s total CSBG ARRA award, equal to just under \$900,000, for this targeted program in 2010 and awarded these funds to 21 community based organizations throughout the state that provided services to increase EITC filers in California. Some examples of the services provided include free tax preparation and application services, and asset development programs such as financial education and credit counseling. This resulted in over 28,000 low-income participants claiming more than \$15 million in EITC refunds.

CSD is continuing its efforts to increase EITC filings in California and has partnered with the California/Nevada Community Action Partnership (Cal/Neva). Through this partnership, Cal/Neva is working to develop an EITC Resource Bank for community based organizations interested in starting new or expanding existing asset building programs. The EITC Resource Bank will help encourage and equip these organizations with the necessary resources and tools to get involved in EITC outreach and start Volunteer Income Tax Assistance (VITA) programs as well as provide a forum to share best practices.

#### More Information about EITC & California:

EITC is a refundable federal income tax credit that helps [low to moderate income](#) working individuals and families keep more of what they earn. [According to the IRS](#), over 26 million people nationwide kept nearly \$59 billion of what they earned through EITC in 2011. These figures include nearly 3 million people from California claiming almost \$6.5 billion in EITC.

The average EITC amount claimed in California was \$2,229, but a qualifying family could receive as much as \$5,751.

Recent data released by the U.S. Census show low-income families and individuals continue to be among those hit hardest under the struggling economy. These figures show that over the last year there has been an increase in poverty and a decrease in household purchasing power both nationwide and in California.

EITC can help these families keep more of what they earn and the program pays off many times over as it provides working families with disposable income. As these dollars get spent they spur local economic activity and tax revenue. According to a [New America Foundation](#) report, when EITC refunds go unclaimed, businesses and the economy suffer. California businesses lost out on \$1.4 billion in sales and 8,200 jobs were not created because \$1.2 billion in EITC refunds were not claimed. In 2009, an estimated 800,000 Californians, about one in five who are eligible, did not claim \$1.2 billion in EITC refunds.

Those earning under \$49,078 should see if they qualify for an EITC refund by going online to [WWW.IRS.GOV/EITC](http://WWW.IRS.GOV/EITC), or by contacting a local volunteer assistance site.

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*CSD partners with a statewide network of community based organizations dedicated to helping low-income Californians achieve and maintain self-sufficiency, meet their home energy needs and reside in housing free from the dangers of lead hazards. CSD administers California's federal funding share for the Community Services Block Grant, Low-Income Home Energy Assistance Program, Weatherization Assistance Program and Lead-Based Paint Hazard Control Program. For more information about CSD and these programs, please visit [www.csd.ca.gov](http://www.csd.ca.gov).*